

CSMP IT Working Session Presentation - Privileged and Confidential

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Attachments:

Omit Code Presentation V3 Draft.pptx (233.29 kB)

Krista & Team,

This is in regards to situations where a "V" Suspicious Omit could have happened but due to our current architecture they are not being classified as Suspicious Omits. We are looking for your go/no go decision on making the following changes.

1. Rejected Order Lines: These are order lines that are discarded "up front" due to basic errors. These do not appear on the customer's invoices or in BW sales history. There are three cases to consider:
 - a. The customer either is missing required licenses or the license(s) are expired.
 - b. The customer is not allowed to order the item because they lack the "membership" authorization to purchase the given product.
 - c. The item being ordered has been discontinued.

In these situations, after being rejected, should we also check if the order would have put them over their threshold and if so, additionally code it as a "V" omit? In doing so, we will develop methods to report them to DEA and integrate them into the BW controlled substance reporting.

2. Omits attributed to Manufacture Supply Issues: These are lines where the supplier could not provide inventory to McKesson, we have zero inventory. When this is the case we always attribute the omit to the manufacturer with a manufacturer omit code and never consider whether the order line could have also taken the customer above their threshold. In other words these never receive "V" omit coding. *In these situations, when we have no inventory, should the order line be checked first to see if it would have exceeded the customer's threshold and mark it as a "V" omit? If the "V" condition does not occur, we would continue to mark the omit as a manufacturer omit.*

Let us know how you wish to proceed and we'll marshal the resources for code changes.

Thank you,

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EXHIBIT

P-13296_00001

McKESSON

Discussion: Untriggered V Omits

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BUSINESS
CARE
CONNECTIVITY

Agenda

- Definition of Untriggered V Omit
- Untriggered V Omit Scenarios
 - Untriggered V Omits – No Product On-Hand
 - Untriggered V Omits – Licenses
 - Untriggered V Omits – Network Membership
 - Untriggered V Omits – Discontinued Items
 - Discontinued without Multi-source
 - Discontinued with Multi-source (Bug)
- Full Omit – Order Processing Logic
- Untriggered V Omits – Frequency & Risk Summary

Definition of Untriggered V Omit

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Untriggered V Omits – Circumstances have been identified where a customer's order has exceeded their CSMP threshold and the order is omitted or rejected, but the order is not identified and reported as suspicious (i.e. V Omit.)

This discussion will include:

- ✓ Order processing circumstances under which these potentially suspicious orders occur and are not reported
- ✓ Frequency of these orders
- ✓ Risks associated with non-reporting.

Note: The product for these "Untriggered V Omits" is not shipped to the customer.

Untriggered V Omit: No Product On-Hand

McKESSON

McKesson will fail to report a Suspicious Order (V Omit), when *both* of the following conditions are met:

1. Zero On-Hand Inventory

- ✓ McKesson's Fill DC has zero inventory on-hand for the ordered product. This includes:

2. Customer Threshold is Exceeded

- ✓ The order exceeds the Customer's (DEA Registrant) Monthly Threshold

These omits will show up on the invoice as a Manufactured Omit or a McKesson Omit and are not reported as a Suspicious Order (i.e. V Omit.)

Frequency: 1,000 / Month

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Multi-sourcing –the Multi-source DC has zero inventory

Item Substitution – the Fill DC has zero inventory for the substituted product

Alternate Sourcing - the Alternate Source DC has zero inventory

Untriggered V Omit: License Failure

McKESSON

McKesson will fail to report a Suspicious Order (V Omit), when *both* of the following conditions are met:

1. Customer's License is not properly maintained
 - ✓ The customer places an order for an item and its DEA License, State License, or Chemical License is: *blank, missing, or expired*
2. Customer Threshold is Exceeded
 - ✓ The order *exceeds* the Customer's (DEA Registrant) Monthly Threshold

The lines for these orders will be **rejected** *and* are not present in Suspicious Order Reporting as V omits

Frequency: 100 / Month

Untriggered V Omit: Network Membership

MCKESSON

McKesson will fail to report a Suspicious Order (V Omit), when *both* of the following conditions are met:

1. Item is not on a Customer's Profile – Customer contracts prohibit some customers from buying certain items (i.e. SKU's.) These items are *removed* from the customer Network Membership Profile. When the customer attempts to purchase such an item, the line of the order is rejected.

✓ Customer attempts to order an item that is *not* on their Network Membership Profile

2. Customer Threshold is Exceeded

✓ The order *exceeds* the Customer's (DEA Registrant) Monthly Threshold for that item's Base Code

The lines for these orders will be **rejected** *and* are not present in Suspicious Order Reporting as V omits

Frequency: 25 / Month

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Use the Methadone 40mg example to discuss.

Untriggered V Omit: Discontinued Item without Multi-source

McKESSON

McKesson will fail to report a Suspicious Order (V Omit), when *both* of the following conditions are met:

1. Item is Discontinued at the Home DC (or Multi-source DC)
 - ✓ The customer attempts order an item that is discontinued its Home or Multi-source DC
2. Customer Threshold is Exceeded
 - ✓ The order *exceeds* the Customer's (DEA Registrant) Monthly Threshold

The lines for these orders will be **rejected** *and* are not present in Suspicious Order Reporting as V omits

Frequency: 350 / Month

Untriggered V Omits: Discontinued Item with Multi-Source (Bug)

McKESSON

McKesson will fail to report a Suspicious Order (V Omit), when *both* of the following conditions are met:

1. Item is Discontinued at the Home DC and Multi-sourced from another DC
 - ✓ The customer order sent to its Multi-source DC for fulfillment and the item is discontinued at its Home DC.
2. Customer Threshold is Exceeded
 - ✓ The order *exceeds* the Customer's (DEA Registrant) Monthly Threshold

The lines for these orders will be **rejected** *and* are not present in Suspicious Order Reporting as V omits

This case is a system bug and will be fixed XX/XX/XXXX

Frequency: 150 (approx)
occurred in October

Open Order Processing Viso



Rejection and Omit code determination Hierarchy.vsd

Untriggered V Omit: Frequency & Risk Summary

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Frequency

V Omits / Month	25K
Full Omits / Month (No V)	2 - 4M

Untriggered V – 0 Stock	1000 (approx.)
Untriggered V – License	100 (approx.)
Untriggered V – Network Membership	25 (approx.)
Untriggered V – Disc. Items	350 (approx.)

Risk

Potentially under reporting 1500 V omits/month. Note this number will fluctuate depending on inventory levels and customer license issues